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LISTING STATEMENT No. 2039

LISTED DECEMBER 21st, 1959
 10,000,000 common shares of \$1.00 par value
 Ticker abbreviation "WTP"
 Dial ticker number 539
 Post section 9.2
 Mining and Oil commissions shall apply.

DEC 24 1959

TORONTO STOCK EXCHANGE

LISTING STATEMENT

WESTATES PETROLEUM COMPANY

(Incorporated under the laws of the State of Delaware on August 19th, 1959
 under the name of Western States Petroleum Co. Inc.)

1. Address of the Company's Head Office and of any other offices:

Head office—100 West Tenth Street, Wilmington 99, Delaware.
 Executive office—411 Philtower Building, Tulsa 3, Oklahoma.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	H. W. Thompson	301 Cambridge Dr., Arcadia, Calif.	President of Westates Petroleum Company (a predecessor company)
Vice-President	William L. Boyer	111 Spindrift Ave., Portugese Bend, Calif.	Formerly President of Bandini Petroleum Company
Vice-President	J. H. Thompson	8311 La Bajada Ave., Whittier, Calif.	Vice-President of Westates Petroleum Company (a predecessor company)
Treasurer	George J. Eckert	9732 Lenore Dr., Garden Grove, Calif.	Treasurer of Westates Petroleum Company (a predecessor company)
Secretary	Lloyd L. Morris	16729 Janine Dr., Whittier, Calif.	Secretary of Westates Petroleum Company (a predecessor company)

3. Directors of the Company:

H. W. THOMPSON, Los Angeles, California—Mr. Thompson has been active in the petroleum business for many years and has been President and a director of Westates since July, 1957.

HENRY R. BENJAMIN, Southampton, New York—Mr. Benjamin is a director of the Virginian Railway Company and of other companies. Mr. Benjamin is at the present time a director of both Westates and Canadian Western Oil Company, Inc.

WILLIAM L. BOYER, Los Angeles, California—Mr. Boyer has been active in the petroleum business for many years and has been president and a director of Bandini since January, 1958.

CECIL E. CHESHER, Calgary, Alberta—Mr. Cheshier is an oil and gas geophysicist. At the present time he is a director of both Westates and Canadian Western.

F. ARNOLD DAUM, Port Washington, New York—Mr. Daum is a partner of the law firm of Cahill, Gordon, Reindel & Ohl, New York. At the present time he is a director of Canadian Western.

JOHN S. DAVIDSON, Vancouver, British Columbia—Mr. Davidson is an insurance executive and is a director of various oil, mining and industrial companies in western Canada. Mr. Davidson is at the present time a director of both Westates and Canadian Western.

GEORGE N. KEYSTON, Burlingame, California—Mr. Keyston is the senior partner of Keyston & Co., members of the Pacific Coast Stock Exchange, and is a director of other oil and industrial companies. At the present time he is a director of Westates.

FRED D. MURRAY, New York, New York—Mr. Murray is financial adviser to Mr. Benjamin. At the present time he is President and a director of Viking-Kinsella and of the New Company and Vice-President and a director of Westates.

JOHN P. OHL, Port Washington, New York—Mr. Ohl is a partner in the law firm of Cahill, Gordon, Reindel & Ohl, New York, and is a director of oil and industrial companies. Mr. Ohl at the present time is a director of both Westates and Canadian Western.

DONALD ROYCE, Santa Monica, California—Mr. Royce is the senior partner of William R. Staats & Co., investment bankers, and is a director of a number of industrial and financial companies.

ROBIN F. SCULLY, Beatrice, Nebraska—Mr. Scully is an independent oil and real estate operator. At the present time, he is a director of both Westates and Canadian Western.

RAYMOND H. TECKLENBORG, Los Angeles, California—Mr. Tecklenborg has been Vice-President and a director of Bandini since December, 1952.

4. Names and addresses of all transfer agents:
 Empire Trust Company, 20 Broad Street, New York, New York; and
 Prudential Trust Company Limited, 51 Wellington Street West, Toronto, Ontario.
5. Particulars of any fee charged upon transfer other than customary government taxes:
 None.
6. Names and addresses of all registrars:
 Morgan Guaranty Trust Company of New York, 140 Broadway, New York, New York; and
 Prudential Trust Company Limited, 51 Wellington Street West, Toronto, Ontario.
7. Amount of authorized capital: \$25,000,000.
8. Number of shares and par value:
 10,000,000 common shares of \$1.00 par value each and 1,500,000 5% preferred shares of \$10 par value each.
9. Full details of all shares issued in payment for properties or for any other assets other than cash:

COMMON SHARES of \$1.00 Par Value

Number of Shares	Brief Description
90,000	All assets and properties of Viking-Kinsella Gas Co., Inc.
2,346,418	All assets and properties of Canadian Western Oil Company, Inc.
1,538,625	All assets and properties of Bandini Petroleum Company.
838,972	Through merger with Westates Petroleum Company (a predecessor company).
<u>4,814,015</u>	

5% PREFERRED SHARES of \$10.00 Par Value

337,553 Through merger with Westates Petroleum Company (a predecessor company)

NOTE: Under Section 262 of the Corporation Law of the State of Delaware, the stockholders of Westates Petroleum Company (a predecessor company) are entitled under certain circumstances to request the appraisal of the shares which they hold in the predecessor company. If such appraisal is requested and the necessary action is taken to comply with the Delaware law, the corporation is obligated to pay to such objecting stockholders the appraised value of their shares. In the event that such appraisal is requested by any of the stockholders of Westates Petroleum Company, (the predecessor company), the number of shares of Common Stock, of the par value of \$1 per share, and of the Cumulative Preferred Stock, 5% Series, of the par value of \$10 per share, to be issued may be reduced. Westates Petroleum Company does not know at this time the number of shares for which appraisal will be requested.

10. Full details of all shares sold for cash.	None.																														
11. Total number of shares issued.	4,814,015 common shares and 337,553 preferred shares.																														
12. Number of shares now in treasury or otherwise unissued.	Common—5,185,985; Preferred—1,162,447.																														
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	None.																														
14. Date of last annual meeting.	Corporation formed August 19, 1959.																														
15. Date of last report to shareholders.	New corporation, no reports to date.																														
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this is to be stated.	<p>At the time of the merger the Westates Petroleum Company (a predecessor company) had restricted stock options outstanding covering an aggregate of 55,000 shares of its old Common Stock, which stock options were approved by the stockholders and granted in 1958 for a period of five years to certain officers and key employees containing the right to purchase shares of old Common Stock at a price of \$7.10 per share. Under the provisions of the merger the Westates Petroleum Company will assume such restricted stock options and such options will be converted into the right to purchase two shares of the Common Stock of the Westates Petroleum Company for each share of the old Common Stock covered by the options. The following officers and key employees holding these restricted stock options will therefore have the right to purchase shares of Common Stock of the new company at a price of \$3.55 per share as follows:</p> <table><tr><th>NAME</th><th>POSITION</th><th>No. OF SHARES</th></tr><tr><td>H. W. THOMPSON</td><td>President.....</td><td>60,000</td></tr><tr><td>J. H. THOMPSON</td><td>Vice-President.....</td><td>40,000</td></tr><tr><td>GEORGE J. ECKERT</td><td>Treasurer.....</td><td>2,000</td></tr><tr><td>LLOYD L. MORRIS</td><td>Secretary.....</td><td>1,000</td></tr><tr><td>FRANK J. GILLIS</td><td>General Counsel.....</td><td>1,000</td></tr><tr><td>D. L. EDMISTON</td><td>President, Arrow Drilling Company.....</td><td>2,000</td></tr><tr><td>JERRY D'ARCY</td><td>Vice-President, Arrow Drilling Company.....</td><td>2,000</td></tr><tr><td>G. W. BUNCE</td><td>Vice-President, Arrow Drilling Company.....</td><td>2,000</td></tr><tr><td></td><td></td><td><u>110,000</u></td></tr></table>	NAME	POSITION	No. OF SHARES	H. W. THOMPSON	President.....	60,000	J. H. THOMPSON	Vice-President.....	40,000	GEORGE J. ECKERT	Treasurer.....	2,000	LLOYD L. MORRIS	Secretary.....	1,000	FRANK J. GILLIS	General Counsel.....	1,000	D. L. EDMISTON	President, Arrow Drilling Company.....	2,000	JERRY D'ARCY	Vice-President, Arrow Drilling Company.....	2,000	G. W. BUNCE	Vice-President, Arrow Drilling Company.....	2,000			<u>110,000</u>
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17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.	Henry R. Benjamin, John P. Ohl and Donald Royce, as Voting Trustees hold 800,049 shares Westates Common Stock under a Voting Trust Agreement dated as of January 2, 1955, which Voting Trust is for ten years subject to earlier termination under certain conditions. No other shares are pooled, deposited in escrow or held to the best of our knowledge, information and belief under any syndicate agreement or control.																		
18. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	None.																		
19. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	No.																		
20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	<table> <tr> <td>1. Unsecured 5¾% Note to California Bank, Los Angeles, California, due in varying installments to September 15, 1962.....</td><td>\$1,600,000</td></tr> <tr> <td>2. 5% Mortgage Note to W. C. Churchill, Tulsa, Oklahoma, secured by certain drilling rigs due January 1, 1960.....</td><td>465,000</td></tr> <tr> <td>3. 6% Second Mortgage Notes to Continental Emsco Company Dallas, Texas, secured by certain drilling rigs due in varying installments to November 25, 1960.....</td><td>591,936</td></tr> <tr> <td>4. 5½% Demand Notes to National Bank of Tulsa, Tulsa, Oklahoma, secured by pledge of certain accounts receivable.....</td><td>383,000</td></tr> <tr> <td>5. Non-Interest Bearing Notes to Alan and Fred Kirby due serially to February 15, 1960.....</td><td>109,584</td></tr> <tr> <td>6. 6% Demand Note to Bank of Nova Scotia, Calgary, Alberta.....</td><td>35,000</td></tr> <tr> <td>7. 5½% Note to Morgan Guarantee Trust Company, New York, New York, due February 1, 1960.....</td><td>250,000</td></tr> <tr> <td>8. Balance on 5½% Notes to Empire Trust Company secured by Mortgage and Deed of Trust on certain oil and gas producing properties due March 1, 1963.....</td><td>690,892</td></tr> <tr> <td>TOTAL.....</td><td>\$4,125,412</td></tr> </table>	1. Unsecured 5¾% Note to California Bank, Los Angeles, California, due in varying installments to September 15, 1962.....	\$1,600,000	2. 5% Mortgage Note to W. C. Churchill, Tulsa, Oklahoma, secured by certain drilling rigs due January 1, 1960.....	465,000	3. 6% Second Mortgage Notes to Continental Emsco Company Dallas, Texas, secured by certain drilling rigs due in varying installments to November 25, 1960.....	591,936	4. 5½% Demand Notes to National Bank of Tulsa, Tulsa, Oklahoma, secured by pledge of certain accounts receivable.....	383,000	5. Non-Interest Bearing Notes to Alan and Fred Kirby due serially to February 15, 1960.....	109,584	6. 6% Demand Note to Bank of Nova Scotia, Calgary, Alberta.....	35,000	7. 5½% Note to Morgan Guarantee Trust Company, New York, New York, due February 1, 1960.....	250,000	8. Balance on 5½% Notes to Empire Trust Company secured by Mortgage and Deed of Trust on certain oil and gas producing properties due March 1, 1963.....	690,892	TOTAL.....	\$4,125,412
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21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held.	} See Schedule "A" on page 6.																		
22. Full particulars of any royalties or other charges payable upon production from each individual property.	All production under Item 21 above is not of land-owners royalties, overriding royalties and oil payments.																		

<p>23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.</p>	<p>None except see answer to Item 9 as to certain appraisal rights under Delaware law.</p>
<p>24. Describe plant and equipment on property.</p>	<p>The producing oil and gas properties have the ordinary necessary equipment to produce the wells. The Company owns 22 drilling rigs, 15 in the United States and 7 in Canada. Such rigs have a cost net of depreciation at September 30, 1959 of \$3,146,954. In addition, the Company owns a separating plant in East Texas having a cost net of depreciation at September 30, 1959 of \$36,645. Also, the Company owns various automobiles and trucks used in its business.</p>
<p>25. Describe development accomplished and planned.</p>	<p>The Company, in conjunction with Continental Oil Company, each owning 50% of approximately 6,120 acres of oil and gas leases in the Hamilton Dome Field, Hot Springs County, Wyoming, has started an intensive development and remedial program for the increase in production from this Field. Since July 1, 1959 4 wells have been drilled and remedial work has been performed on 6 wells in this Field, which has increased the production from this Field from 1,150 barrels per day to approximately 2,000 barrels per day. It is contemplated that 16 wells will be drilled within the next 14 months and additional remedial work will be performed during such period of time on the presently producing wells. In addition, the Company has drilled a well on its acreage in Lea County, New Mexico with an initial production of 2,112 barrels per day. A test has not as yet been made of the gas production from this well. The Company anticipates drilling 3 additional wells to obtain production from the same formations.</p>
<p>26. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.</p>	<p>Reports of H. T. Olsen, independent petroleum engineer of Los Angeles, Calif., dated August 1, 1959 of properties owned by the Company's wholly owned subsidiary, Hamilton Dome Oil Company, Ltd., and previously owned by Bandini Petroleum Company, Canadian Western Oil Company, Inc. and Viking-Kinsella Gas Co., Inc., which properties have been acquired by purchase.</p>
<p>27. Full particulars of production to date.</p>	<p>See answer to Item 21 for details of January 1, 1959 to July 31, 1959 average daily production by fields totaling 2,437.69 barrels of oil and 5,897 Mcf of gas.</p>
<p>28. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.</p>	<p>No dividends paid since incorporation on August 19, 1959.</p>
<p>29. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.</p>	<p>Richards, Layton & Finger, Wilmington, Delaware.</p>

<p>30. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.</p> <p>(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.</p> <p>(c) Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars.</p>	<p>The shares of the Westates Petroleum Company (a predecessor company) had unlisted trading privileges on the Pacific Coast Stock Exchange. The shares of Bandini Petroleum Company were listed and traded on the Pacific Coast Stock Exchange. The shares of Canadian Western Oil Company, Inc. were listed and traded on the Toronto Stock Exchange.</p> <p>Yes. Pacific Coast Exchange and American Stock Exchange.</p> <p>No.</p>
<p>31. Particulars of the principal business in which each director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.</p>	<p>See answer to Item 3 above.</p>

Dated at New York, New York, the 12th day of November, 1959.



WESTATES PETROLEUM COMPANY

"F. D. MURRAY", Director.

"HENRY R. BENJAMIN", Director.

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
as of October 6, 1959

Number	Shares
9,181 Holders of 1— 100 shares.....	277,805
1,842 " " 101—1000 "	677,722
127 " " 1001—2000 "	207,235
49 " " 2001—3000 "	141,057
35 " " 3001—4000 "	131,399
20 " " 4001—5000 "	95,875
75 " " 5001—up "	3,282,922
<u>11,329 Stockholders</u>	<u>Total shares.....4,814,015</u>

SCHEDULE "A" REFERRED TO IN ITEM 21 ON PAGE 3

The following tabulation shows as of September 1, 1959 the general location and approximate net acreage of producing oil and gas leases, the gross and net number of wells thereon, the average API gravity of the oil produced, the present price per barrel and the average number of net barrels of oil or net Mcf's of gas per day produced during the period from January 1 to July 31, 1959:

FIELD AND LOCATION	NO. OF NET ACRES	NO. OF WELLS		API GRAVITY OF OIL	PRICE PER BBL. OF OIL	AVERAGE DAILY PRODUCTION	
		GROSS	NET			(BBLs.)	Mcf.
CALIFORNIA:							
Los Angeles County							
Signal Hill Field.....	22.5	20	18.77	25.7	\$ 2.73	226	—
Santa Fe Springs.....	14	21	19.8	30	2.67	294.50	513
Redondo Beach Field..	27	4	.79	18	1.77	13	15
Kern County							
Bakersfield.....	1,016	68	66.49	13.9	1.66	324	—
Pyramid Hills Field....	300	4	4.0	46	3.37	62.40	183
Fresno County							
Coalinga.....	864	111	111	14.9	1.82	409	—
Monterey County							
Monroe Swell Field....	837.5	1	.5	18	1.50	10.50	—
CANADA:							
Alberta							
Craig Lake.....	344	2	.54	—	—	—	Shut in
Hamilton Lake.....	160	1	.5	—	—	5	—
Hanna.....	480	2	.75	—	—	—	Shut in
Viking-Kinsella Field..	1,776	10	1.5	—	—	—	485
NEW MEXICO:							
Lea County							
Jal.....	485	21	12.37	34	2.78	22	1,754
OKLAHOMA:							
Garfield County							
North Garber Field....	140	9	4.5	38	3.01	9	292
Kay County							
Autwine Field.....	55	6	1.5	39	3.03	26	175
Noble County.....	320	5	2.33	39	3.03	9	—
Lincoln County.....	80	1	1	37	2.99	4	—
TEXAS:							
Ector County							
Foster Field.....	200	20	10.5	34	2.78	166.46	37
North Cowden Field...	220	5	4.5	32	2.71	134.02	100
Marian County							
Rhodesa Field.....	1,668.02	8	6.0	40	3.13	48.81	592
Young County							
Gretchen Field.....	250	2	1	39	2.99	9	—
WYOMING:							
Hot Springs County							
Hamilton Dome Field..	2,017	29	13.5	17	1.93	525*	—
Park County							
Frannie Oil Field.....	300.5	5	2.5	24	2.26	51	—
Sweetwater County							
Canyon Creek Field...	4,275	7	2.1	—	—	—	1,751
Weston County							
Southwest Mush Creek Field.....	640	11	11	42.2	2.77	89	—
TOTAL.....	16,491.52	373	297.44			2,437.69	5,897

*As a one-half interest in the leases in the Hamilton Dome Field was sold as of July 1, 1959, average daily production from this field has been adjusted to reflect only a one-half interest for the entire period.

The following tabulation shows as of September 1, 1959, the location and approximate acreage of non-producing properties:

LOCATION	NUMBER OF ACRES
California.....	9,045
Colorado.....	160
New Mexico.....	37,891
Kansas.....	80
Wyoming.....	21,444
Montana.....	1,120
North Dakota.....	293
Oklahoma.....	240
Texas.....	30
Canada.....	75,600
Guatemala.....	73,952
British Honduras.....	3% overriding royalty in 1,103,000 acres
British Honduras.....	1% overriding royalty in 908,000 acres

Mr. H. T. Olsen, independent petroleum engineer, has conducted a study of the oil and gas reserves of Bandini, of Westates (a predecessor company) and of Viking-Kinsella, as of August 1, 1959.

Mr. Olsen has reported that the net proved developed crude oil reserves of Westates (a predecessor company) owned through its wholly owned subsidiary, Hamilton Dome, are estimated to be 7,392,210 barrels and the net proved developed natural gas reserves of Westates (a predecessor company) are estimated to be 38,076,190 Mcf. which should yield, net of operating expenses and taxes, \$11,442,730.

Mr. Olsen has also reported that the net proved developed crude oil reserves of Bandini, including the reserves acquired from Long Shot, are estimated to be approximately 3,172,440 barrels and the net proved developed gas reserves of Bandini, including the reserves acquired from Long Shot, are estimated to be approximately 1,285,310 Mcf. which should yield, net of operating expenses and taxes, \$6,294,100.

Mr. Olsen has also reported that the net proved developed natural gas reserves of Viking-Kinsella are estimated to be 7,560,000 Mcf. and the net proved developed crude oil reserves are estimated to be 9,960 barrels, which should yield, net of operating expenses and taxes, \$561,040.

On the basis of the foregoing reports of Mr. Olsen, the aggregate net proved developed crude oil reserves of the Westates Petroleum Company (the applicant company) will be 10,574,610 barrels and the estimated net proved developed natural gas reserves will be 46,921,500 Mcf. which should yield, net of operating expenses and taxes, \$18,297,870.

Mr. Olsen has also reported that there are 6,274,360 barrels of net proved undeveloped crude oil reserves to Westates' interest in the Hamilton Dome oil field. These reserves are presently being developed by a new well drilling program which was started in August, 1959 after the sale as of July 1, 1959 of a one-half interest in the leases in the Hamilton Dome field. Mr. Olsen has also reported that in addition to the reserves referred to above there are an additional 5,225,000 barrels of semi-proved undeveloped crude oil reserves in the Hamilton Dome oil field net to Westates' interest.

Mr. Olsen has also reported that the producing properties of Bandini in West Texas have excellent secondary recovery possibilities. The unitization of the North Cowden field is nearing the final stages while preliminary discussions are now being held for the unitization of the Foster field. Mr. Olsen has estimated that Bandini's interest in the reserves which he believes are recoverable through secondary production methods should approximate 4,000,000 barrels of crude oil.

WESTATES PETROLEUM COMPANY

Notes to Pro Forma Combined Financial Statements

Balance Sheet—September 30, 1959

The accompanying pro forma combined balance sheet has been prepared by combining historical balance sheets of Canadian Western Oil Co., Inc. and subsidiaries, Bandini Petroleum Company and subsidiary, Viking-Kinsella Gas Co., Inc. and Western States Petroleum Co., Inc. as of September 30, 1959.

(1) Combinations of companies

(a) Combination of Canadian Western Oil Company, Inc. and subsidiaries (Westates Petroleum Company and its subsidiaries), Bandini Petroleum Company and subsidiary (Capen Corporation), Viking-Kinsella Gas Co., Inc., and Western States Petroleum Co., Inc. has been accounted for as "pooling of interests". Common and preferred stock of Westates Petroleum Co., Inc. is to be issued to stockholders of the respective companies as heretofore indicated in letters to stockholders dated October 5, 1959.

(b) Elimination of the \$500,000 principal amount of Debentures of Canadian Western Oil Co., Inc. purchased by Bandini Petroleum Company.

(c) Elimination of \$5000 inter company indebtedness of Viking-Kinsella Gas Co., Inc. to Canadian Western Oil Co., Inc.

Summary of Earnings For the Nine Months Ended September 30, 1959

(2) Pro forma adjustments are as follows:

(a) Elimination of minority interest in net loss of Westates Petroleum Company (subsidiary of Canadian Western Oil Company, Inc.).

FINANCIAL STATEMENTS

WESTATES PETROLEUM COMPANY UNAUDITED PRO FORMA COMBINED BALANCE SHEET SEPTEMBER 30, 1959

ASSETS	CANADIAN WESTERN OIL CO., INC. AND SUBSIDIARIES	BANDINI PETROLEUM CO. AND SUBSIDIARY	VIKING KINSELLA GAS CO., INC.	WESTERN STATES PETROLEUM CO., INC.	COMBINATIONS OF COMPANIES (NOTE 1)	DEBIT	CREDIT	PRO FORMA COMBINED
CURRENT ASSETS.....	\$ 2,226,285	\$ 164,565	\$ 5,953	\$ 1,000	(c) \$	—	5,000	\$2,392,803
INVESTMENTS AND ADVANCES TO AFFILIATED COMPANIES:								
Common stock of Bandini Petr. Co.....	68,984	—	—	—	(a)	—	68,984	—
Common stock of Western States Petr. Co., Inc.....	—	—	1,000	—	(a)	—	1,000	—
Debenture issued by Canadian Western Oil Co., Inc.	—	500,000	—	—	(b)	—	500,000	—
Advances to joint ventures.....	—	19,759	—	—		—	—	19,759
Other.....	40,700	—	—	—		—	—	40,700
	109,684	519,759	1,000	—		—	569,984	60,459
OTHER ASSETS AND DEFERRED CHARGES.....	157,410	—	—	—		—	—	157,410
PROPERTY AND EQUIPMENT (NET OF RESERVES).....	9,073,352	3,136,742	280,000	—		—	—	12,490,094
TOTAL ASSETS.....	\$11,566,731	\$ 3,821,066	\$ 286,953	\$ 1,000	\$	—	574,984	\$ 15,100,766

LIABILITIES

CURRENT LIABILITIES.....	\$ 2,838,199	\$ 77,698	\$ 9,984	\$ 760	(c)	\$ 5,000	\$ —	\$ 2,921,641
LONG-TERM DEBT.....	2,097,546	690,000	—	—	(b)	500,000	—	2,287,546
DEFERRED PRODUCTION PAYMENT INCOME.....	61,361	27,534	—	—		—	—	88,895
MINORITY INTEREST IN SUBSIDIARY.....	1,759,736	—	—	—	(a)	1,759,736	—	—
CAPITAL STOCK AND SURPLUS:								
PREFERRED STOCK								
Westates Petroleum Company, 5% cumulative convertible \$10 par value, redeemable at \$10 per share.....	—	—	—	—		—	(a) 3,375,530	3,375,530
COMMON STOCK								
Canadian Western Oil Co., Inc. \$1 par.....	3,128,557	—	—	—	(a)	3,128,557	—	—
Bandini Petroleum Co.—\$1 par.....	—	1,538,625	—	—	(a)	1,538,625	—	—
Viking-Kinsella Gas Co.—\$1 par.....	—	—	70,000	—	(a)	70,000	—	—
Westates Petroleum Co.—\$1 par.....	—	—	—	1,000		—	(a) 4,813,015	4,814,015
CAPITAL SURPLUS								
Canadian Western Oil Co., Inc.....	2,520,016	—	—	—	(a)	2,520,016	—	—
Bandini Petroleum Co.....	—	1,227,246	—	—	(a)	1,227,246	—	—
Viking-Kinsella Gas Co.....	—	—	210,000	—	(a)	210,000	—	—
Westates Petroleum Co.....	—	—	—	—		—	(a) 2,195,651	2,195,651
Earned surplus (deficit).....	(838,684)	259,963	(3,031)	(760)		—	—	(582,512)
TOTAL CAPITAL STOCK AND SURPLUS.....	4,809,889	3,025,834	276,969	240		8,694,444	10,384,196	9,802,684
TOTAL LIABILITIES.....	\$11,566,731	\$ 3,821,066	\$ 286,953	\$ 1,000	\$	10,959,180	\$ 10,384,196	\$ 15,100,766

The accompanying Notes on page 7 are an integral part of this pro forma combined balance sheet.

CERTIFIED BY:

“JOHN P. OHL”, Director

“HENRY R. BENJAMIN”, Director

UNAUDITED PRO FORMA COMBINE

FOR THE NINE MONTH

CANADIAN
WESTERN OIL
CO., INC. AND
SUBSIDIARIES

OPERATING INCOME:

Drilling operations.....	\$3,313,446
Oil and gas sales.....	1,259,111
	<u>4,572,557</u>

OPERATING CHARGES:

Cost of drilling operations.....	2,825,276
Oil production expenses.....	525,949
Abandonments, undeveloped lease rentals, dry hole well costs, etc.....	63,306
Administrative and general expenses.....	491,580
	<u>3,906,111</u>

Net operating income (loss) before provisions for depreciation, depletion and amortization.....	<u>666,446</u>
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PROVISIONS FOR DEPRECIATION, DEPLETION AND AMORTIZATION

Drilling operations.....	695,519
Oil operations.....	505,065
	<u>1,200,584</u>

Net operating income (loss).....	<u>(534,138)</u>
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OTHER DEDUCTIONS:

Interest expense and other non-operating income and expenses (net)	169,108
	<u>169,108</u>

Net income (loss) before minority interest.....	(703,246)
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MINORITY INTEREST IN NET LOSS OF SUBSIDIARY.....	329,629
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Net income (loss)	<u><u>(\$373,617)</u></u>
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The accompanying Notes on page 7 are an integr

EUM COMPANY

MMARY OF EARNINGS

ENDED SEPTEMBER 30, 1959

BANDINI PETROLEUM CO. AND SUBSIDIARY	VIKING- KINSELLA GAS CO., INC.	WESTERN STATES PETROLEUM CO., INC.	PRO FORMA ADJUSTMENTS (NOTE 2)	PRO FORMA COMBINED
\$ —	\$ —	\$ —	\$ —	\$3,313,446
288,373	2,332	—	—	1,549,816
<u>288,373</u>	<u>2,332</u>	—	—	<u>4,863,262</u>
—	—	—	—	2,825,276
105,438	4,375	—	—	635,762
149,832	—	—	—	213,138
107,398	989	760	—	600,727
<u>362,668</u>	<u>5,364</u>	<u>760</u>	—	<u>4,274,903</u>
(74,295)	(3,032)	(760)	—	588,359
—	—	—	—	695,519
58,426	—	—	—	563,491
<u>58,426</u>	—	—	—	<u>1,259,010</u>
(132,721)	(3,032)	(760)	—	(670,651)
2,379	—	—	—	171,487
<u>2,379</u>	—	—	—	<u>171,487</u>
(135,100)	(3,032)	(760)	—	(842,138)
—	—	—	(a) (329,629)	—
<u>(\$135,100)</u>	<u>(\$3,032)</u>	<u>(\$760)</u>	<u>(\$329,629)</u>	<u>(\$842,138)</u>

rt of this pro forma combined summary of earnings.

CERTIFIED BY:

“JOHN P. OHL”, Director

“HENRY R. BENJAMIN”, Director

WESTATES PETROLEUM COMPANY
UNAUDITED PRO FORMA BALANCE SHEET
(Giving effect to the proposed transactions set forth in Notes 1 and 2)

NOTES

(1) **WESTATES PETROLEUM Co. PRO FORMA COMBINED**
 These figures were taken from the pro forma combined balance sheet prepared for Westates Petroleum Co. as of September 30, 1959. The pro forma combined balance sheet was prepared by combining historical balance sheets of Canadian Western Oil Co., Inc. and subsidiaries, Bandini Petroleum Company and subsidiary, Viking-Kinsella Gas Co., Inc. and Western States Petroleum Co., Inc. as of September 30, 1959.

(2) **PRO FORMA TRANSACTIONS**
 (a) Additional bank borrowing
 (b) Retirement of miscellaneous indebtedness as follows:

Capen Corp.	
Bank loan (Bandini Petroleum Co.)	\$ 690,000
California Bank	1,600,000
Bank loan (Canadian Western)	250,000
W. S. & M. M. Churchill	475,000
	<u>\$3,015,000</u>

(c) Formation of Arrow Drilling Company, wholly owned subsidiary of Westates Petroleum Co. Westates receives stock in exchange for net assets applicable to drilling operations.

(3) **WESTATES PETROLEUM Co. PRO FORMA AS ADJUSTED**
 Current liabilities do not include current portion of additional bank borrowing mentioned in Note (2) (a) above.

A S S E T S

CURRENT ASSETS	WESTATES PETROLEUM CO. PRO FORMA COMBINED (NOTE 1)	WESTATES PETROLEUM CO. PRO FORMA TRANSACTIONS DEBIT	(NOTE 2)	WESTATES PETROLEUM CO. PRO FORMA AS ADJUSTED (NOTE 3)	ARROW DRILLING COMPANY
Cash	\$ 505,853	\$ —	(c) \$ 125,000	\$ —	\$ —
Other current assets	1,886,950	(a) 4,250,000	(b) 3,015,000	1,615,853	125,000
	<u>2,392,803</u>	<u>4,250,000</u>	(c) 925,496	961,454	925,496
				<u>2,577,307</u>	<u>1,050,496</u>
INVESTMENTS AND ADVANCES TO AFFILIATED COMPANIES:					
Common stock of Arrow Drilling Co.	—	(c) 3,405,486	—	3,405,486	—
Advances to joint ventures	19,759	—	—	19,759	—
Other	40,700	—	—	40,700	—
	<u>60,459</u>	<u>3,405,486</u>	<u>—</u>	<u>3,465,945</u>	<u>—</u>
OTHER ASSETS AND DEFERRED CHARGES	157,410	—	(c) 135,447	21,963	135,447
PROPERTY AND EQUIPMENT (NET OF RESERVES)	12,490,094	—	(c) 3,608,088	8,882,006	3,608,088
Total Assets	<u>\$ 15,100,766</u>	<u>\$ 7,655,486</u>	<u>\$ 7,809,031</u>	<u>\$14,947,221</u>	<u>\$4,794,031</u>

LIABILITIES

CURRENT LIABILITIES.....	\$ 2,921,641	(c) \$ 1,021,105 (b) 1,125,000	\$ — 775,536	\$ — 1,021,105
	<u>2,921,641</u>	2,146,105	<u>775,536</u>	<u>1,021,105</u>
		(c) 367,440	—	—
LONG-TERM DEBT.....	2,287,546	(b) 1,890,000	4,280,106	367,440
	<u>2,287,546</u>	2,257,440	<u>4,280,106</u>	<u>367,440</u>
DEFERRED PRODUCTION PAYMENT INCOME.....	88,895	—	88,895	—
CAPITAL STOCK AND SURPLUS:				
Preferred stock:				
Westates Petroleum Company, 5% cumulative convertible \$10 par value, redeemable at \$10 per share.....	3,375,530	—	3,375,530	—
COMMON STOCK:				
Westates Petroleum Co.—\$1 par.....	4,814,015	—	4,814,015	—
Arrow Drilling Co.—\$1 par.....	—	—	—	100,000
CAPITAL SURPLUS:				
Westates Petroleum Co.....	2,195,651	—	2,195,651	—
Arrow Drilling Co.....	—	—	—	3,305,486
EARNED SURPLUS (DEFICIT):				
Westates Petroleum Co.....	(582,512)	—	(582,512)	—
	<u>9,802,684</u>	—	<u>9,802,684</u>	<u>3,405,486</u>
TOTAL LIABILITIES.....	\$ 15,100,766	\$ 4,403,545	\$ 4,250,000	\$ 4,794,031

The accompanying Notes (set out above on page 10) are an integral part of this pro-forma balance sheet.

CERTIFIED BY:

“JOHN P. OHL”, Director.

“HENRY R. BENJAMIN”, Director.



